

**Assembly Bill 583 (Hancock)**  
**CA Clean Money and Fair Elections Act of 2005**  
**Version: Introduced February 16, 2005**  
**Status: Set for committee hearing April 19, 2005**

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**Summary**

This is a reintroduction of AB 2949 (Hancock) from 2004. The bill would create a voluntary system of public financing for state elections. Candidates who meet certain conditions could choose to participate in the “Clean Money” scheme, whereby they would refuse private contributions in return for public funds to run their campaigns.

Under this bill, candidates who raise a specified number of \$5 contributions would become eligible to receive a specified amount of Clean Money funds and, if necessary, additional matching funds to remain competitive with a non-participating opponent. The number of \$5 contributions required and the amount of Clean Money funds dispersed to the candidate varies for Assembly, Senate, Board of Equalization, Constitutional Officer and Governor.

**Recommendation**

Staff recommends the Commission take no position on this bill.

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**Background**

This bill purports to address the “rigors of fundraising,” the “free speech rights of non-wealthy candidates” and the “public perception of corruption at worst and conflict of interest at best.”

Versions of this “Clean Money” scheme of public funding were approved by the voters in Maine in 1996 and Arizona in 1998. If this bill should fail to become law, it is likely that its supporters will likewise attempt to put it directly before the voters as an initiative measure.

Previously, the Commission adopted a position of “neutral” on the Clean Money bill. Last session, AB 2949 passed the Assembly Elections Committee, but died in the Appropriations Committee.

**Analysis**

This bill would confer substantial new duties on the FPPC.

- Administration of the Clean Money Fund. This includes certifying the candidates and receiving and disbursing Clean Money funds. Qualified candidates are issued a debit card which must be used to make all expenditures.
- Interpretation and administration of the law, including regulations, opinions, instructional materials, and telephone and written advice.
- Making COLA adjustments for qualifying contributions, limits, and Clean Money Fund disbursements.
- Creating and acting as filing officer for several new forms.
- Enforcement of the Clean Money Act provisions.

**Fiscal Impact**

It is not clear how much administration of the Clean Money Act will cost the Commission.

The appropriation to the Commission has been reduced from \$3 million per year in AB 2949, to “at least” \$500,000 per year for administration of the Clean Money Act. Funding above this amount would require Department of Finance approval.

Technical Assistance Division does not think that \$500,000 is sufficient to cover the administrative costs of the new duties given to the Commission under this bill, particularly because various forms must be electronically filed with the Commission, which has no ability to receive electronic forms.

**Recommended Position**

It is extremely likely that this measure will fail in the legislative process this session, just as it did last session. If this happens, it is equally likely that some initiative campaign will be undertaken to submit the proposal directly to the voters. Because the Act prohibits Commissioners from taking part in any candidate or ballot measure campaign, and because the Commission’s comments on past initiatives have been used in the campaigns for those initiatives, the staff recommends the Commission take no position on this measure.